

**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of)	
)	
Inquiry into Over-the-Air Broadcast)	MB Docket No. 04-210
Television Viewers)	

**REPLY COMMENTS OF THE
CONSUMER ELECTRONICS RETAILERS COALITION**

The Consumer Electronics Retailers Coalition (“CERC”) submits these reply comments in response to the Public Notice (“PN”) in the above-captioned proceeding.¹ CERC endorses the positions taken by its member RadioShack Corporation, as well as by Intel, ITI, and Motorola, that the Commission and if necessary the Congress should interpret or, if required, amend the law to assure an expeditious “hard date” for the DTV Transition. CERC’s overall views are as elaborated to Media Bureau Staff as a requested followup to the Commission’s recent “hoedown” roundtable meeting on expediting this transition, and on better educating the public with respect to it. CERC’s communication to Media Bureau staff is attached hereto as an Appendix and is hereby submitted as CERC Reply Comments in response to this Public Notice.

¹ *Media Bureau Seeks Comment on Over-the-Air Broadcast Television Viewers*, MB Docket No. 04-210, *Public Notice*, DA 04-1497, 19 FCC Rcd 9468 (2004), comment deadline extended, *Order*, DA 04-2002 (July 1, 2004).

Respectfully submitted,

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September 7, 2004



August 18, 2004

Rick Chessen
Eloise Gore
DTV Transition Task Force
Media Bureau
Federal Communications Commission
Washington, D.C. 20554

Re: CERC Followup To DTV Transition Hoedown

Dear Rick and Eloise:

As requested by Ken Ferree, we are pleased to provide the Consumer Electronics Retailers Coalition's (CERC) ideas and commitments with respect to promoting HDTV and helping to educate the public about the DTV transition itself.

FCC Public Educational Activity

- **FCC Web Site.** CERC understands that the Commission will be sponsoring a public educational web site. CERC commits to (a) link to this site from its own site, and (b) recommend to CERC members and other retailers that they can assist the FCC's efforts by providing their own educational material and/or links to the most appropriate and specific educational and informative pages on their own sites.
- **CERC DTV Transition Page.** CERC will create on its own web site a "DTV transition" page, consistent with and linked to the FCC page; will encourage consumer electronics retailers to link to it; and will make its contents available for use by any retailer.
- **Analog Shutoff.** CERC proposes, below, a "hard" analog broadcast shutoff date as necessary in order to provide consumers reliable information as to programs and services for which NTSC-only receivers will be useful in the future, and those for which they would not be. Without a firm date for cessation of analog broadcasts, the various industries affected by the transition to digital will continue to be plagued by uncertainty and the transition's progress will continue to lag the Commission's expectations.
- **Digital Cable Ready.** CERC and its members will strive to create public informational and educational material about advances in the DTV transition, as signified, *e.g.*, by Digital Cable Ready products. CERC will make such material available on its web site; and will provide it to the FCC for use on the FCC site, as well as for possible reference by consumer electronics retailers generally.

- **Addressing Consumer Confusion.** CERC will cooperate with other organizations in providing consumers with the information about the availability of (1) HDTV programming, (2) CableCARDS, and (3) answers to consumer questions or confusion. CERC would remind the Commission that the pricing and availability of CableCARDS also affects the pace of the DTV/HDTV transitions.
- **Standardized Information.** CERC will inform consumer electronics retailers of the availability of standardized information as compiled by, *e.g.*, the Consumer Electronics Association (CEA), will assist retailers in obtaining such information, and will assure that CERC members have access to such information, and to adequate copies of material when planning their own marketing and educational campaigns.

Other Cooperative Activity

- **HDTV-Specific Sports Events.** The FCC's announced decision to allow additional non-simulcasting opens up new opportunities for programmers to show off the capabilities of HDTV via HDTV-specific telecasts. It enables a sporting event to be shot *entirely* from an HDTV perspective (*e.g.*, viewing angle equal to that of a live spectator). CERC believes that presenting *some* of the most popular events in this fashion would further open the eyes of home viewers, and their guests, to what HDTV truly offers.
- **HDTV-Perspective Presentation.** Recognizing that not every event can be covered exclusively in HDTV or with a dual crew, it should still be possible for a simulcast presentation to present *some* shots – even if mainly replays – from an “HDTV Perspective” and to label them on-screen as such. Or, to have, *e.g.*, an “HDTV Inning” in which the HDTV viewer can see both first and third bases for all pitches (and non-HDTV viewers can see what they're missing).
- **Recorded Material.** In addition to the marketing that occurs in homes as guests see HDTV presentations of events, the best recorded material from such presentations could be offered for retail, Internet, and other promotional display.
- **In-Store Broadcasts.** While CERC cannot address the individual marketing choices of retailers, such as the choice of in-store display material, it will forward to members and other interested retailers the views of programmers who promote the idea of live retail display of sporting events.

FCC Regulations

- **“Hard” Analog Shutoff Date.** Retailers cannot possibly provide accurate guidance to consumers re the relative merits of products with NTSC tuners, and promote alternatives in this specific respect, until the Congress or the FCC settles on a date for terminating analog broadcasts. Without a firm date for cessation of analog broadcasts, other industries affected by the transition to digital will also continue to be plagued by uncertainty, and the transition's progress will continue to lag the Commission's

expectations. CERC supports the concept of a hard analog shut off date, whether achieved by Congressional action or by interpretation of the 85% rule as proposed in the “Ferree Plan”.

- **Revision to the “50%” Rule.** The 50% “dual tuner rule” for TV receivers of 25” and over screen size, slated to become effective July 1, 2005, may subject some of these products to material and labor cost increases that equal the cost of existing products. The result in the marketplace of a 50% rule for such products could be a movement toward displays with *no* off-air tuners.² CERC recommends that, instead, (a) a 100% rule apply to the 25” and over category, effective January 1, 2006, and (b) the date for compliance in 13” product, VCRs, etc. be moved from July 1, 2007 to January 1, 2008. In conjunction with increasing consumer understanding and use of the CableCARD feature, this will allow manufacturers and retailers to offer increased value to consumers commensurate with cost increases, and should be a spur to *maintaining* off-air reception capability in DTV display products.
- **CableCARD Reliance.** Consumer acceptance of the CableCARD feature, and maintenance of the value offered by CableCARD-reliant products, depend on the FCC maintaining its requirement that new MSO-provided products *also* rely on these devices by July 1, 2006. Based on volume achieved by consumer acceptance and the learning curve in manufacturing these products, by this time the material and labor cost for these cards should be much less than the annual lease fees now being charged to consumers by some MSOs.

Sincerely yours,

Marc A. Pearl

Executive Director

Robert S. Schwartz

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Counsel

² As an organization of competitors, CERC cannot address the likelihood or desirability of such a movement, but notes that such a result seems inconsistent with the FCC objectives behind its “dual tuner” rule specifically, and the DTV transition in general, particularly if a “hard cutoff” date is to be achieved. It also seems less likely that a non-tuner display would be Digital Cable Ready.